

*The following message was delivered by Mayor Brooks Compton during the State of the City address on March 21, 2016.*

As a member of Centerville Council and now as Mayor, I have seen the preparation, seriousness and thoughtfulness that my fellow council members John Beals, JoAnne Rau, John Palcher, Mark Engert, Bill Serr and Deputy Mayor Belinda Kenley bring to their job as council members. It is a privilege to work with all of them. All are dedicated to Centerville.

So what is the state of Centerville as we embark on 2016?

The City of Centerville has tremendous internal operational strengths.

Centerville has a tremendous staff.

I would first like to mention our City Manager, Greg Horn. Greg Horn has been City Manager for 24 years. Much has been accomplished under his leadership as our City Manager. As a Council, we value his friendship and his dedicated leadership. Much of the success Centerville has had over the past 24 years would not have been possible without Greg's steady leadership as City Manager. Greg has assembled a team of great talent from top to bottom which has led to fulfilling our main duty to provide exceptional and first class safety and local government services to our citizens.

There can be no doubt that Centerville has the finest Police Department around. Chief Robertson has assembled a department that has the respect and support of Council, but more importantly the respect and support of Centerville citizens. The activities that the Centerville Police Department do to provide help and improve the lives of our citizens are many.

First: All Centerville Police Officers are "first responders." The ability of the Centerville Police Department to respond to a life-threatening emergency in just a couple minutes is invaluable. Their training is a strength of our Police Department and a credit to their high standards.

Second: The Centerville Police Department is nationally accredited, meeting very strict state and national requirements. The Centerville Police Department is nationally recognized for exemplary service to the City and its citizens.

Third: The Centerville Police Department has 24-hour local emergency dispatch which is critical, not only for a major weather or traffic event, but to all our families knowing that they can count on our 24-hour local emergency dispatch to recognize where you live by knowing Centerville inside and out. We are honored that West Carrollton recognized the extraordinary service provided by Centerville Police emergency dispatch in asking us to handle their 24-hour emergency dispatch. The Centerville Police Department provides

School Resource Officers to Centerville Schools and maintains a strong community relations presence.

Dr. Steven Hinshaw leads the City's Finance Department which has been recognized by the State of Ohio year after year for its proper handling of the city's finances. Steve has an extensive background in finance, and deals with many other departments of the City, while working hand-in-hand with the City Manager.

Council recognizes and appreciates that Dr. Hinshaw provides us accurate, if not always welcomed, financial information. His financial expertise has been critical to our infrastructure and tax increment financing projects, essential to the City's growth.

Doug Spitler, Public Works Director, and City Engineer Jim Brinegar, have been busy providing the necessary road improvements and annual street and sidewalk repair programs, all while maintaining an active Public Works Department including waste and recyclable collection. Doug and Jim have managed the road and infrastructure work along Wilmington Pike, Feedwire Road and I-675. Both have done a great job bringing to City Council projects that are necessary for the continued growth of Centerville and making sure they get completed in a timely manner. They are doing a great job.

Nathan Cahall, our Economic Development Director, is out in the business community every day working to bring more economic development to Centerville. His outreaches to businesses in the city and those that might consider coming to the city are contributing to Centerville's success. Nathan manages and works with the development tools available to the city to improve and help our business base prosper and grow. We see evidence of that with new businesses coming to Centerville.

Andrew Rodney, Centerville's City Planner, continues to bring creative talent to his position and projects to the table for City Council to review. Numerous projects are on the table as in-fill and economic development projects.

Maureen Russell Hodgson is our volunteer coordinator. She is a volunteer and communications specialist. If there is something going on in Centerville, she knows about it and lets people know. Organizing hundreds of volunteers and events for the city, Maureen is our link in many ways to the news media and all of Centerville citizens.

The success of The Golf Club at Yankee Trace is a testament to how responsible planning and service lead to the respect of the community which earns Yankee Trace the number 1 Dayton area golf course rating. Assistant to the City Manager Jennifer Wilder, Head Golf Pro Steven Marino, Director of Food and Beverage Jason Pajari, and Golf Course superintendent Terry Taylor deliver on this amenity for Centerville residents every day.

Benham's Grove, as a community gathering place, is also recognized as the best in the Dayton area. Since Assistant to the City Manager Kristen Gopman has taken over the

responsibilities at Benham's Grove, she has steadily improved its operation even to the point of making Benham's Grove financially self-sufficient.

Carin Andrews is our new Clerk of Council with Julie Weaver as the Assistant Clerk of Council. Oftentimes Carin and Julie are the first contact with the community and represent us all in such a professional manner. Council respects the hard work that Julie does for us every week, and after working with Carin for just a few weeks, we know that we made the right selection by naming Carin as Centerville's Clerk of Council.

Every day Centerville employees are out there in the City taking care of or managing the city's business, whether picking up leaves, recyclables or trash collection, dealing with a property maintenance issues, repairing or replacing roads, curbs, gutter or sidewalks, repairing the greens at Yankee Trace, handling the many tax questions raised or addressing a safety issue, we have a great strength in our Centerville employees and are proud of their work.

As a city, Centerville recognizes the strong ties we have in the community with other governmental entities.

Centerville Schools: The Centerville School System is a great system. Superintendent Tom Henderson and the entire school system are to be commended for their successful delivery of educational services in trying financial times for the Centerville School District. We respect what they do for Centerville and enjoy working with them.

Parks: Centerville has an extensive park system which adds much to the quality of life in Centerville. Years of service by Carol Kennard have led to a great park system now headed by its new director Arnie Biondo. We see great things ahead for our park district.

Libraries: Kim Paras heads up an active library district. We appreciate what she has done to make Centerville more attractive for our residents with the many varied and useful programs provided at the Woodbourne and Centerville libraries.

Chief Bill Gaul's leadership of the Washington Township Fire Department is greatly appreciated as are his ongoing efforts to improve the department at every level. He is very much respected by all who work with him at the city.

And last but certainly not least, I finally want to make special mention of the many volunteers who serve on Centerville boards and commissions and the many volunteers who help the city out every day with very little public recognition. You are a great asset to the city and all of us on Council and City staff know that it could not be done without you. Thank you.

What does City Council see for 2016 and the years beyond? We see challenges that must be addressed and opportunities to capitalize on. What are a couple of these challenges? The first major challenge is financial: To properly address the financial challenge, we must give a little background. The City of Centerville raises the largest part of its general

fund revenue from the city's 1.75% earned income tax. Retirement earnings are not taxed in Centerville. Centerville has the lowest rate of income tax in southern Montgomery County and has not increased income or property taxes in more than 34 years.

In 2016, it is anticipated that the City of Centerville will have a very modest increase in income tax revenues for a total income of \$13 million in general fund revenue from income tax in 2016, consistent with our modest growth of new businesses in Centerville. That is the good news.

However, the state legislature has taken steps that reduce the City's ability to control its own finances. These actions are far beyond the control of the City of Centerville and its policy makers, the City Council.

Over the past several years, the State of Ohio legislature has taken action to reduce revenue to the city by eliminating the estate tax; changing how work days are calculated by employees who work partially in Centerville and partially out of the city; changing loss carry forward rules, providing essentially a tax windfall to a few; and lastly significantly reducing the local government fund. This change in the local government fund reimbursement is a breaking of the state's decades-long commitment to return funds to local governments when the state implemented new taxes for all of Ohio.

Overall when fully implemented, these changes, all completely outside of Centerville's control, will impact the City of Centerville by reducing its revenue approximately \$3 million per year.

City Council and staff recognized this potential risk years ago and took actions which reduced staffing levels of city employees by 20% over the last 10 years through attrition and layoffs; changed work responsibilities to utilize technology and doubled up roles where possible; changed the City's waste collection system to maximize each person's role by getting and maintaining more efficient equipment; and reduced the City's long-term debt at Yankee Trace, allowing it to be paid off seven years early--when the last payment is made in 2018 instead of 2025.

During this period of time, through prudent management, the City set aside monies for the much needed Public Works Building, paid for without the need to borrow any money, the same as the Centerville Police Headquarters, also built without the need to borrow money or raise taxes.

While the City's income tax revenue has increased very modestly and the City has taken these many steps to reduce its expenses, the State of Ohio implemented changes reduce city revenues approximately \$3 million annually. This amount will be very difficult to absorb if we are to maintain the level of services Centerville is known for and expected by our residents.

City Council accepts the responsibility that all approaches, including our relationships with other governmental entities and organizations, must be analyzed from a long term cost benefit analysis, so that needed infrastructure improvements, including neighborhood roads, sidewalks, traffic signalization improvements, hiker biker and pedestrian trails, amenities and police services, do not suffer as a result. We know that you expect nothing less from your elected officials.

Your elected officials working with City staff will not minimize, look past or ignore these financial concerns. The City of Centerville, unlike the federal government, does not have the luxury of printing money or for that matter, continuing to run budget deficits year after year. These difficult decisions and recommendations that must be made are required for the sound financial future of Centerville. All of us on City Council and City staff recognize that our responsibility is to address this challenge.

Now that I have addressed the financial challenge, I want to address another challenge Centerville faces and that is the on-going political challenge presented by Sugarcreek Township to our City and the Cornerstone of Centerville being developed by the Oberer Development Company.

This started about 10 years ago when the then owners of the property annexed their property to the City of Centerville. By law, the property remains in Sugarcreek Township, comparable to property that is in both the City of Centerville and Washington Township. Since that annexation 10 years ago, the City of Centerville has provided services to this annexed area including police and first responder services, planning, engineering, road maintenance, property maintenance and administrative support, all without demanding, seeking or receiving financial assistance from Sugarcreek Township. Meanwhile, Sugarcreek Township has provided fire and EMS services. While the City does not seek reimbursement or compensation from Sugarcreek Township for providing these important governmental services, Sugarcreek Township receives monies and reimbursement from individuals and insurance companies for its EMS services and hundreds of thousands of dollars in property tax from this area that is in both Centerville and Sugarcreek Township.

City Council was very pleased that the property owner wanted to have the professional City of Centerville staff and support that Centerville was able to offer when it asked to annex its property to the City of Centerville. One may not remember, but the roads and infrastructure in this area were a mess and it was not realistic to think that this area at a major interstate intersection was going to stay undeveloped for long. The only question was whether it would be developed properly with the necessary road and infrastructure improvements. The City of Centerville was determined to properly provide the necessary improvements as long term road and infrastructure improvements were critical to this area, as it was, and remains the gateway to Centerville from the east and north.

Were it not for the City of Centerville, this area would have developed with little, if any, long term planning and without the proper infrastructure improvements necessary that only the City of Centerville could provide and would require.

Now then, why is fire and EMS service the source of much controversy? I know firsthand that former Centerville Mayor Kingseed and others from the City spent a great deal of time and effort trying to resolve the issue of fire and EMS service to this area that is in both Centerville and Sugarcreek Township. The City has presented a responsible and equitable proposal to the Sugarcreek Township Trustees providing compensation from the development for fire and EMS service. To this day, they have failed to respond.

City Council is confident that we are handling this matter responsibly. We are resolute in fulfilling our duty to the City's taxpayers to responsibly resolve this matter. Twice Sugarcreek Township legal action has taken this matter all the way to the Ohio Supreme Court, and twice the Ohio Supreme Court has ruled 7-0 in favor of Centerville and against Sugarcreek Township. We encourage the Sugarcreek Township Trustees to accept the equitable proposal in front of them and put an end to their efforts which have caused an extraordinary waste of taxpayer money.

So what's ahead for 2016 and beyond?

The year 2016 brings much in the way of excitement because of numerous public works projects, infrastructure improvements and economic development.

North Main Street from Franklin Street to Alex-Bell will be newly paved this summer to complete the utility upgrades started and completed in 2015.

Wilmington Pike Phase 3 improvements will widen Wilmington Pike to Brown Road from Cornerstone Drive. Whipp Road west of Wilmington will be widened and better access to 675 heading south will be added on Wilmington Pike.

The hiker/biker path connecting Rose Estates to Paragon Road in Yankee Trace will be completed, while Yankee Street will be widened from Social Row Road north to Winding Green in Yankee Trace. South Johanna Drive will be fully reconstructed.

In positive economic development news, Creative World of Child Care, Montessori School on Wilmington Pike will be completed and opened.

The 27 single family homes at The Grove at Yankee Trace should be under construction this year and the Randall residence, a \$30 million assisted and independent living center with many single family residences, is in the final stages getting ready for groundbreaking.

At Cornerstone of Centerville there will be a new Kroger Marketplace, hotel and additional restaurants, upscale residential housing and commercial shops in 2016, along with the long awaited opening of Cabela's and the national restaurant, Cheddar's.

And, recently, a redevelopment grant has been awarded to study the Centerville Place shopping center's old Kroger site implementing the Unified Development Ordinance.

We look forward to continuing our excellent working relationship with major community employers, The Premier Health Systems, St. Leonard's and Bethany Lutheran Village. This summer will bring great entertainment with Heart of Centerville gatherings on Fridays and the outstanding summer concert series at Stubbs Park.

So what can you expect from council this year and in the future:

1. Council will address the serious financial issues that confront the City in light of the State of Ohio's recent actions.
2. Council will use its committee structure, allowing us to work more closely with City staff in individual areas such as neighborhood relations, economic development, streets and highways and bicycle and pedestrian needs and concerns.
3. Council will continue work with City staff on improving the interaction and communication between Centerville's government and our residents and their neighborhoods. This is central to our commitment that Centerville's strength is, and will continue to be, its neighborhoods.
4. Council will pursue economic and planned development aggressively. Centerville has a lot to offer and its housing and business choices must reflect our community not just today, but in the future.

In closing, Centerville has a professional City staff, a topnotch Police Department, successful community partners, hundreds of volunteers on committees serving Centerville, a great set of amenities available to all of Centerville's citizens and most importantly over 23,000 involved and responsible citizens who call Centerville home.

Yes, Centerville has challenges ahead. We are determined to address and meet these challenges so that Centerville will continue to be a great place to live, work and raise a family.

I am honored to be your Mayor and have the opportunity to serve this great City of Centerville.